

# Employee Reimbursement Accounts Program (ERA)

**AN OPTIONAL TAX-FREE BENEFIT PLAN**



**OPEN ENROLLMENT  
OCTOBER 7 - NOVEMBER 8, 2002**

**CURRENT PARTICIPANTS MUST RE-ENROLL TO  
CONTINUE REIMBURSEMENT ACCOUNT(S) IN 2003.**



**Eligible new employees have 30 days following date of hire to enroll.**

**Keep this booklet as a reference throughout the plan year.**

# EMPLOYEE REIMBURSEMENT ACCOUNTS PROGRAM (ERA)

An Optional Tax-Free Benefit Plan for Eligible Employees

- AUTOMATIC PREMIUM CONVERSION
- MEDICAL EXPENSE REIMBURSEMENT ACCOUNT
- DEPENDENT CARE REIMBURSEMENT ACCOUNT

## OPEN ENROLLMENT

OCTOBER 7 - NOVEMBER 8, 2002

Enrollment lines close at 9:00 p.m. Central Time on November 8, 2002

Enroll on-line at <http://etf.wi.gov>

Enroll by phone at 1-800-847-8253

After Open Enrollment, call FBMC Customer Service: 1-800-342-8017

Or call FBMC Madison Office Help Line: Toll Free 1-877-533-4187 or 608-829-1036 (October 7-November 29, 2002, inclusive)

Customer Service e-mail: [webcustomerservice@fbmc-benefits.com](mailto:webcustomerservice@fbmc-benefits.com)

**Keep This Booklet** for your reference throughout the plan year.

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# IMPORTANT POINTS

Enrollment lines close at 9:00 p.m. Central Time on November 8, 2002

## PLAN CAREFULLY BEFORE YOU ENROLL:

- Read this booklet carefully and use the **worksheets** on *Page 29* and the **calculator** on the ETF Internet site to help you determine your pre-tax savings. Funds remaining in a reimbursement account at the end of 2003 will be **forfeited**. Money cannot be carried over to the next plan year, nor can it be refunded.
- **You *must re-enroll* during the open enrollment period to continue participation in the Medical Expense Reimbursement Account and the Dependent Care Reimbursement Account.**

## CHANGES DURING THE PLAN YEAR:

- Your account(s) may not be changed or terminated during the plan year, unless you experience a qualifying “change in status” that affects your eligibility to participate in the benefit. (See *Pages 22-25*)

## ELIGIBLE EXPENSES:

- Only expenses **incurred** during your period of coverage in 2003 are eligible for reimbursement. See *Pages 15-20* for details about eligible medical expenses and dependent care.

**NOTE: IRS Regulations prohibit the reimbursement of insurance premiums (including long-term care premiums) through a medical expense reimbursement account.**

## COVERAGE EFFECTIVE DATE:

- If you enroll during open enrollment: January 1, 2003.
- If you enroll after the plan year starts: The date of the first ERA paycheck deduction. (See *Page 7*)

## DURING THE OPEN ENROLLMENT PERIOD, OCTOBER 7 – NOVEMBER 8, ENROLL VIA:

- **Telephone** using the Interactive Voice Response (IVR) system, or
- **Internet.** (See *Pages 10-12* )

## AFTER OPEN ENROLLMENT:

- **New Hires:** paper applications only, available from your Payroll/Benefits Office. You must enroll within 30 days **after** your hire date. (See *Pages 6-7*)
- **Change In Status:** Use Change In Status Form, available from your Payroll/Benefits Office, FBMC's Madison Office or the ETF Internet site. You must enroll within 30 days **after** a qualifying change in status event.

## NOTABLE PROGRAM CHANGES

- The FSA regulations regarding weight loss treatment programs has changed. (See *Page 16*)
- **Health Plan Changes:**  
Check your Dual-Choice book for information on changes in drug co-pays, and other benefit changes that may affect your healthcare costs.

**FOR MORE INFORMATION OR ASSISTANCE CALL 1-800-342-8017 OR VIA E-MAIL**

**[webcustomerservice@fbmc-benefits.com](mailto:webcustomerservice@fbmc-benefits.com)**

**ETF INTERNET SITE: [HTTP://ETF.WI.GOV](http://ETF.WI.GOV)**

# GENERAL INFORMATION

## WHAT IS THE ERA PROGRAM?

The Employee Reimbursement Accounts (ERA) Program is an optional benefit established for eligible state employees. Employee Reimbursement Accounts, also referred to as “Flexible Spending Accounts,” are authorized under Sections 125, 105, and 129 of the Internal Revenue Code and Wis. Stats. §40.85. The ERA program allows you to pay eligible expenses from your **pre-tax** income rather than your after-tax income.



- All of your ERA contributions (including premiums deducted through Automatic Premium Conversion) are taken out of your paycheck before federal and state income and Social Security taxes are calculated on your remaining salary. You keep more money in your pocket because you pay less in taxes!
- When you incur eligible expenses, simply submit your reimbursement request to Fringe Benefits Management Company (FBMC), the Contract Administrator. Eligible expenses for services incurred during the plan year will be reimbursed via check or direct deposit to your bank account if you choose the Rapid Refund option.

## THE EMPLOYEE REIMBURSEMENT ACCOUNTS (ERA) PROGRAM HAS THREE DIFFERENT PARTS:

- **Automatic Premium Conversion**, the automatic pre-tax treatment of your payroll deducted premiums for **state** group health and group life insurance (excluding spouse and dependent life insurance costs); and EPIC dental and excess medical insurance plans
- A tax-free **Medical Expense Reimbursement Account**
- A tax-free **Dependent Care Reimbursement Account**.

## HERE'S HOW THE ERA PROGRAM WORKS

- Enroll before the plan year begins and make an irrevocable decision about how much to have deducted from your salary. Once the plan year starts, your pre-tax benefit election cannot be cancelled or changed unless you experience a valid Change In Status. *See Pages 22-25 for more information regarding Changes In Status.*

## HERE'S HOW THE ERA PROGRAM COULD WORK TO INCREASE YOUR SPENDABLE INCOME BY SAVING TAXES:

WITHOUT ERA		WITH ERA
\$1,500.00	Gross Pay	\$1,500.00
0.00	ERA Reductions	- 235.00
1,500.00	Taxable Gross Pay	1,265.00
-438.00	Taxes & SS (29.2%)*	-369.00
-235.00	Eligible Expenses	0.00
\$827.00	Spendable Income	\$896.00
Tax savings with ERA = \$69 or 29% of expenses per month		
* Figures assume a 12 month plan year, 15% federal withholding, 7.65% Social Security, and 6.55% state withholding tax. Individual tax rates may vary.		

## WHAT ARE THE REIMBURSEMENT ACCOUNT RULES?

- IRS regulations stipulate that any amount left in your account at the end of a plan after all submitted reimbursements for the plan year have been processed, will be **forfeited**, and cannot be returned to you or carried forward to the next plan year.
- You have until March 31, 2004 to apply for reimbursement for expenses incurred in plan year 2003.
- Funds deposited in a Dependent Care Reimbursement Account cannot be used to reimburse medical expenses (and vice versa).
- Expenses reimbursed from your Employee Reimbursement Account(s) cannot be claimed on your tax return.
- Eligible expenses cannot be reimbursed until **after** the service has been rendered.
- Medical Expense Reimbursement requests will be paid to the limit of your annual election amount, less any prior reimbursements made during the plan year.
- Dependent Care reimbursement requests will be paid to the limit of the amount in your account when the reimbursement check is written. Any balance due will be automatically paid as more money is credited to your account.

- Your benefit election cannot be cancelled or changed during the plan year unless you experience a valid Change In Status event as defined by IRS Regulations.
- Benefit election changes are allowed only if the change corresponds to the status change event and must be approved by FBMC before it can take effect. *See Page 22 for more information about changes in status.*
- For more information concerning your benefits or your enrollment, call Fringe Benefits Management Company (FBMC) Customer Service at 1-800-342-8017, between 6 a.m. and 9 p.m., Central; Telecommunications Device for the Deaf (TDD) 1-800-955-8771.

## APPEAL PROCESS

- If you have a claim denied in full or in part, or if you have a change-in-status request denied, you have the right to appeal the decision by sending a written request for review within 30 days of the denial. Your written request must state why you think your request should not have been denied. Your letter must include the name of your employer, the date of the services for which benefits were denied (if applicable), a copy of the claim or request, any denial letter you received and any additional documents, information or comments you think may have a bearing on your appeal.
- Upon receipt of your written request, your appeal will be reviewed. You will normally be notified of the results of this review within 30 days from receipt of your written request. In unusual cases, as when review of your appeal requires additional documentation, the review may take longer than 30 days. If your appeal is approved, additional processing time is required to modify your benefit elections.

PLEASE NOTE: Appeals are approved only if the extenuating circumstances and supporting documentation are within IRS regulations governing the plan.

Fringe Benefits Management Company (FBMC)  
Appeals Committee  
P.O. Box 1878  
Tallahassee, FL 32302-1878  
800-342-8017



# ENROLLMENT INFORMATION



## WHO CAN ENROLL?

- Most full-time or part-time classified and unclassified state and university employees are eligible to participate.

## INELIGIBLE EMPLOYEES

- Employees who are classified as fellows, scholars and research assistants in the University of Wisconsin System, limited term employees (LTEs), student hourlies, and other temporary employees may **not** participate.

## OPEN ENROLLMENT

**October 7– November 8**

- To enroll in the Medical Expense Reimbursement Account and/or the Dependent Care Reimbursement Account during Open Enrollment, log on to the Internet site or call the enrollment phone line by 9 p.m. Central on November 8, 2002.
- For more information and assistance, please see the Internet and Telephone Enrollment Guides included in this booklet on *Pages 9-12*.
- You must re-enroll in the Medical Expense and Dependent Care Reimbursement Accounts during each Open Enrollment period to continue your accounts for the next plan year. You do not need to re-enroll for Automatic Premium Conversion. Your participation will continue automatically.

- Enrollment elections cannot be changed after the plan year begins unless there is a qualifying Change In Status. See *Page 22* for more information about Changes In Status.
- For more information about reimbursement accounts or eligible expenses, contact FBMC Customer Service at 1-800-342-8017 or via e-mail at [webcustomerservice@fbmc-benefits.com](mailto:webcustomerservice@fbmc-benefits.com)

## ENROLLMENT FOR NEWLY HIRED OR NEWLY ELIGIBLE EMPLOYEES

- You may enroll in the ERA program after the annual enrollment period when you first become eligible as a newly hired employee, or by transfer/reclassification to an eligible position.
- You will have 30 days **following** the date you become eligible to sign up for the reimbursement accounts.
- Because the Internet and phone enrollments are only available during Open Enrollment, newly hired employees must complete a paper enrollment form, available from your Payroll/Benefits Office.
- **Effective date:** Your coverage will start on the issue date of your first paycheck from which ERA deductions are made.
- Your department's Payroll/Benefits Officer will assist you in

determining the number of paychecks you receive yearly and your coverage effective date. Due to processing time, reductions may not begin with your next paycheck.

- Return your completed enrollment form to your Payroll/Benefits Office, **not** to FBMC.
- *See Page 7 for more information on your coverage start and end dates.*

## ENROLLMENT FOR EMPLOYEES WHO EXPERIENCE A CHANGE IN STATUS

- You may enroll in the program when you experience a qualifying Change In Status such as marriage, birth or adoption. See the Changes During The Year section on *Page 22* for more information on valid Change In Status events.
- Contact FBMC's Madison office at 1-608-829-0435, **before** completing the form, to determine eligibility for your desired change(s).
- *Change in Status* forms are available from your Payroll/Benefits Officer and may be downloaded from the ETF Internet site <http://etf.wi.gov>
- Completed form must be submitted to FBMC's Madison office for authorization and processing, within 30 days **after** the valid *Change in Status* event, at the following address:  
**FBMC, Suite 210A, 7818 Big Sky Drive, Madison, WI 53719**

# ENROLLMENT INFORMATION

- FBMC's Madison office will process your forms, and authorize the change(s), then forward a copy to your Payroll/Benefits Office and to FBMC's Florida headquarters.
  - Effective date of any change(s) will be the date of the first paycheck deduction reflecting the change(s).
  - **Effective date:** Your coverage will start on the issue date of your first paycheck from which ERA deductions are made.
- VERY IMPORTANT:** Be sure to send your form to FBMC's Madison office with ample time for it to be processed and forwarded to your Payroll/Benefits Office before the payroll processing cut-off date. Otherwise, your desired effective date for the change(s) will be delayed. Generally speaking, that means your Payroll/Benefits Office should receive the authorized form at least 10 business days before the paycheck date on which the changes are to be made.
- Be sure the amount you set aside is a realistic amount. Keep in mind that you may have to make two or three contributions to your Dependent Care Reimbursement Account and also pay your dependent care provider before a reimbursement check arrives.
  - Consider enrolling in the Rapid Refund (Direct Deposit) option, described on *Page 27*, to reduce mailing delays.
  - IRS regulations stipulate that any amount left in your account at the end of a plan year after all submitted reimbursements for the plan year have been processed, will be **forfeited**, and cannot be returned to you or carried forward to the next plan year.
  - You have until March 31, 2004 to apply for reimbursement for expenses incurred in plan year 2003.

- Because of payroll processing cut-off dates, your start date may be several weeks after you submit your enrollment form. Be sure to verify your start date with your Payroll/Benefits Officer before you incur eligible expenses.

## EXAMPLE:

Your employment start date is March 14, 2003. You have 30 days **after** that date to enroll in the program. If you are paid on a bi-weekly basis and submit your application on March 29, the first check from which a deduction may be taken could be as late as April 19, depending on the payroll processing cut-off date. If you are paid on a monthly basis, your coverage start date may be May 1, depending on when the payroll processing cut-off date is for that pay period.

## HOW MUCH SHOULD I DEPOSIT IN MY ACCOUNT?

- Use the ERA worksheets provided on *Page 29* of this booklet to calculate the amount you expect to pay during the plan year for eligible dependent care and/or uninsured out-of-pocket medical expenses. (Refer to the individual Reimbursement Account descriptions on *Pages 15-20* in this booklet for information specific to each type of account.)

## WHEN DOES MY PERIOD OF COVERAGE START?

- If you enroll during the fall Open Enrollment period, your coverage starts on January 1, 2003.
- If you are hired or newly eligible during the plan year, you have 30 days **following** the date of first hire or eligibility to enroll. Your period of coverage begins on the **issue date of your first paycheck from which ERA deductions are made**. Only eligible expenses **incurred on or after** this effective date are reimbursable.

# ENROLLMENT INFORMATION

## WHEN DOES MY PERIOD OF COVERAGE END?

- If you remain employed for the full plan year, your period of coverage ends on December 31, 2003.
- If you terminate employment or cease to be an eligible employee prior to the end of the plan year and do not arrange to continue your coverage, your Medical Expense ERA period of coverage ends at the end of the pay following the pay period for which your last ERA payroll deduction was taken. Expenses incurred after this date are not reimbursable.

### EXAMPLES:

1. An employee who is paid on a bi-weekly basis and whose last paycheck is dated May 1 (the paycheck for pay period April 6 through April 19) will have ERA coverage end as of May 3 (end date of the pay period following the last payroll deduction).
2. An employee who is paid on a monthly basis and whose last paycheck is dated May 1 (the paycheck for pay period April 1 through April 30) will have ERA coverage end as of May 31 (end of the pay period following the last payroll deduction).

## WHAT IF I TERMINATE EMPLOYMENT OR TAKE A LEAVE OF ABSENCE?

- Your participation in the ERA program may cease during a plan year if you terminate employment, transfer to an ineligible position, go on an unpaid leave of absence, or die, unless you make arrangements to continue your coverage.
- You can continue your reimbursement account(s) by contributing the remainder of your annual election amount via a tax-free lump sum contribution taken from your last regular paycheck(s). Medical Expense Reimbursement Accounts may also be continued by after-tax payments to your account. In some cases you may also change your election amount by filing a *Change In Status* form. See *Page 22* for more information about Changes In Status.  
**Contact your Payroll/ Benefits Office for more information about your options and the required procedures for continuation.**
- If you have contributed your full annual election amount to your account(s), you can receive reimbursements on eligible expenses until your full annual amount has been reimbursed or the plan year ends.

- If you do not choose to continue your Medical Expense Reimbursement Account through a tax-free lump sum contribution or after-tax payment to your account, your period of coverage will terminate at the end of the pay period following the pay period for which your last ERA payroll deduction was taken. **Only eligible expenses incurred prior to that date are reimbursable.**
- You can continue to request reimbursement for eligible expenses from your Dependent Care Reimbursement Account until you exhaust your account balance or the plan year ends, even if you have not contributed the full annual amount for which you enrolled.



# ENROLLMENT METHOD FOR 2003!



## OPEN ENROLLMENT October 7– November 8

You may complete your enrollment in one of two ways: either on-line at the ETF Internet site, or via telephone on the Telephone Enrollment Line. There will be no paper enrollment forms to complete and submit.

Internet and Telephone Enrollments are easy and convenient, and can be done from the privacy of your home. You may enroll on a weekday or the weekend, at any time of the day or night.

## ENROLL EARLY TO AVOID ON-LINE TRAFFIC OR A BUSY PHONE SIGNAL

Decide what's easier for you.

1. Log on to the ETF Internet site at <http://etf.wi.gov>, or
2. Call the Telephone enrollment line at 1-800-847-8253.

## BEFORE YOU BEGIN

- Read this enrollment booklet carefully.
- Decide on the amount you wish to contribute to your ERA. Use the ERA Worksheets found on *Page 29* to help you calculate your annual contribution amounts.
- Use the tax calculator available through ETF's Internet site to determine the effect of your pre-tax deductions on your paycheck.

- Complete your *Internet* or *Telephone Enrollment Guide*. Both Guides contain all the information you will be asked to enter during your Internet or Telephone enrollment.

## ENROLLING

Once you are comfortable with your selections, you are ready to begin your enrollment. You will need:

- Your Social Security number (SSN)
- Your default Personal Identification Number (PIN) (last 4 digits of your SSN)
- A new, personal PIN. (You are **required** to change your default PIN to a personal, permanent PIN which **cannot** be the last 4 digits of your SSN.) This same PIN will be used for the Internet enrollment, Telephone Enrollment, and Interactive Benefits Information Line and the FBMC Web site.
- The **annual** amount you wish to contribute to each ERA account.
- If you choose to enroll via the internet, make sure to print out your information and save for future reference.

## CONFIRMATION NUMBER

Both the Internet and Telephone Enrollment systems will give you a confirmation number.

**Make sure you write your confirmation number on your *Internet* or *Telephone Enrollment Guide* in the space provided.**

If you do not get a confirmation number, your benefit selections/changes will **not** be saved and **you will not be enrolled**.

If you are unable to enroll or cannot remember your PIN, please call our Madison office toll free at **1-877-533-4187**. You may also contact FBMC Customer Service toll free at 1-800-342-8017 or via e-mail at [webcustomerservice@fbmc-benefits.com](mailto:webcustomerservice@fbmc-benefits.com)

**NOTE: to employees who have already selected Personal Identification Numbers (PIN): As of October 1, 2002 your PIN was reset to the default PIN, the last four digits of your Social Security number.**

Please take a few minutes to answer our questionnaire about your Internet enrollment experience.

This will assist us in providing quality enrollment services to you in the future.

Click on the Internet survey link on the last page of the Internet enrollment.

# INTERNET ENROLLMENT GUIDE

OCTOBER 7-NOVEMBER 8, IF YOU ARE UNABLE TO ENROLL OR LOST YOUR PIN, CALL THE MADISON OPEN ENROLLMENT TOLL-FREE HELP LINE: 1-877-533-4187

**NOTE:** If you do not get a confirmation number, your benefit selections/changes will **not** be saved and you will **not** be enrolled.

## FOLLOW THESE STEPS TO LOG ON AND MAKE YOUR SELECTIONS:

Log on to the Employee Trust Funds Internet site at <http://etf.wi.gov>. Click on the "ERA Open Enrollment" link.

Enter your Social Security number (SSN).

--

Enter your Temporary Personal Identification Number (PIN)

(Last 4 digits of your Social Security number).

Click on the **Click to Login** button.

## CHANGE YOUR PIN TO YOUR OWN CONFIDENTIAL 4-DIGIT PIN. YOUR NEW PIN CANNOT BE THE LAST 4 DIGITS OF YOUR SOCIAL SECURITY NUMBER.

Review the information on the Welcome Page and then click on the **Continue** button.

**Confirm and Modify (if necessary)** your Employee Information on-line.

Enter your **Work Location number**  and

**work phone number** --.

Once your Employee Information is correct, click on the **Go to Next Page** button.

## ENTER YOUR ERA ANNUAL DEDUCTION AMOUNTS: (INCLUDE DECIMAL)

Medical Expense Annual Amount

\$  .

Dependent Care Annual Amount

\$  .

Choose your tax filing status.

## AFTER ENTERING YOUR AMOUNTS AND TAX FILING STATUS, CLICK ON **Continue**.

Carefully review the Terms and Conditions for enrolling in the Employee Reimbursement Accounts Program. If you agree, click on the **OK** button to submit and save your account selections.

Review your selections on the **Enrollment Confirmation** page.

If selections are correct, print a copy for yourself and click on the Exit button.

To change a selection, click on the Return to Log In button.

**WAIT! WRITE YOUR CONFIRMATION NUMBER HERE :**  
**KEEP FOR FUTURE REFERENCE**

**NOTE:** You will also receive a written Confirmation Notice from FBMC. Review it carefully for accuracy. You can make changes to your selections through the Internet or Telephone through November 8, 2002 at 9 p.m. Central. Enrollment selections cannot be changed after the plan year begins unless there is a qualifying Change In Status.

# TELEPHONE ENROLLMENT GUIDE

OCTOBER 7-NOVEMBER 8, IF YOU ARE UNABLE TO ENROLL OR LOST YOUR PIN, CALL THE MADISON OPEN ENROLLMENT TOLL-FREE HELP LINE: 1-877-533-4187

CALL THE ENROLLMENT LINE at 1-800-847-8253 by 9 p.m. Central and simply follow the voice prompts.

**NOTE:** You may press "0" from the main menu or at any time during your call to transfer to a Customer Service Representative if you are calling between the hours of 6 a.m. and 9 p.m. Central Monday through Friday. They will answer any questions you may have, but they cannot enroll you in your 2003 ERA benefits.

**If you transfer to Customer Service or hang up prior to final confirmation of your Reimbursement Account benefit selections, the information you entered will not be saved and you will not be enrolled.**

## USING THE TELEPHONE KEYPAD:

Enter your Social Security number

 -  - 

Enter your Temporary Personal Identification Number (PIN)

**NOTE to employees who have already selected PIN**

**numbers:** As of October 1, 2002 your PIN was reset to the default PIN which is the last four digits of your Social Security number.

## CHANGE YOUR PIN TO YOUR OWN CONFIDENTIAL 4-DIGIT PIN. YOUR NEW PIN CANNOT BE THE LAST 4 DIGITS OF YOUR SOCIAL SECURITY NUMBER.

Please remember this number because the same PIN is used for the Benefits Internet Enrollment Site, Telephone Enrollment Line, and Interactive Benefits Information Line.

**If you are calling the enrollment line for the first time, you have FOUR options.**

Press 1 to review your 2002 ERA benefits.

Press 2 to select your ERA benefits for the 2003 Plan Year.

Press 3 to verify your address.

Press 0 to speak with a Customer Service Representative.

**If you have already completed your enrollment and are calling back, you may:**

Press 1 to review your 2002 ERA benefits.

Press 2 to review your 2003 ERA benefits.

Press 3 to change your 2003 ERA benefits.

Press 4 to verify your address.

Press 0 to speak with a Customer Service Representative.

## BEFORE YOU ENROLL IN EITHER ACCOUNT YOU WILL BE ASKED TO ENTER YOUR WORK LOCATION NUMBER

*Refer to the list on Page 13*

## NUMBER OF PAYCHECKS

*Employees who are paid on a bi-weekly basis will receive 26 paychecks in 2003. Those who are paid on a monthly basis may receive 12 paychecks if they have a full-year appointment. Those with less than a full-year appointment, i.e. 6 month, 9 month, 10 month, etc. should use the appropriate number.*

IF YOU DO NOT WISH TO ENROLL IN A MEDICAL EXPENSE REIMBURSEMENT ACCOUNT, YOU MAY PRESS "0" AND THE "#" SIGN NOW TO ENROLL IN A DEPENDENT CARE REIMBURSEMENT ACCOUNT ONLY.

#### MEDICAL EXPENSE REIMBURSEMENT ACCOUNT

**Annual Amount (Minimum: \$100; Maximum: \$7,500)**

*(Include the cents of your contribution directly after the dollar amount. Example: To contribute \$500.25, press "50025#".)*

\$ , .

IF YOU DO NOT WISH TO ENROLL IN THE DEPENDENT CARE REIMBURSEMENT ACCOUNT PRESS "0" AND THE "#" SIGN NOW TO REVIEW AND CONFIRM YOUR MEDICAL EXPENSE ACCOUNT ELECTION.

#### DEPENDENT CARE REIMBURSEMENT ACCOUNT

**Annual Amount (Minimum: \$100; Maximum: Refer to Page 18.)**

*(Include the cents of your contribution immediately after the dollar amount. Example: To contribute \$500.25, press "50025#".)*

\$ , .

**Tax Filing Status**

Married, Filing Separately (\$2,500 Maximum)

Enter "1"

Married, Filing Jointly (\$5,000 Maximum)

Enter "2"

Single, Head of Household (\$5,000 Maximum)

Enter "3"

**WAIT! PLEASE REVIEW AND CONFIRM YOUR ERA BENEFIT SELECTIONS NOW. IF YOU DO NOT GET A CONFIRMATION NUMBER, YOUR BENEFIT SELECTIONS WILL NOT BE SAVED AND YOU ARE NOT ENROLLED.**

The system will automatically calculate your per paycheck deduction amount. Any fraction of a cent will be rounded down so you do not exceed your annual election. **Please enter your election amounts and your confirmation number below and retain for your records.**

**Medical Expense Reimbursement Account**

Confirmed Per Pay Period Deduction Amount  
\$

**Dependent Care Reimbursement Account**

Confirmed Per Pay Period Deduction Amount  
\$

**TOTAL PER PAYCHECK DEDUCTION AMOUNT**

Confirmed Per Pay Period Deduction Amount  
\$

**WAIT! WRITE YOUR CONFIRMATION NUMBER HERE :  
KEEP FOR FUTURE REFERENCE**

**Please stay on the line to verify your address.**

If the address on file is incorrect, you may speak to a Customer Service Representative who will be happy to correct your address. If you are calling after hours, please call Customer Service 1-800-342-8017 during business hours to change your address, if necessary.

Your enrollment in a Medical Expense Reimbursement Account and/or Dependent Care Reimbursement Account is complete. Thank you. **Save this Enrollment Guide for future reference.**

**NOTE:** You will also receive a written Confirmation Notice from FBMC. Review it carefully for accuracy. You can make changes to your selections through the Internet or Telephone through 9 p.m. Central Time on November 8, 2002. Enrollment selections cannot be changed after the plan year begins unless there is a qualifying Change In Status.

## WORK LOCATION NUMBERS

505	Administration			Commission
434	Adolescent Pregnancy Board	370		Natural Resources
432	Aging and Long Term Care Board	547		Personnel Commission
115	Agriculture, Trade and Consumer Protection	550		Public Defender
660	Appeals Court	255		Public Instruction
215	Arts Board	155		Public Service Commission
625	Circuit Court	165		Regulation and Licensing
143	Commerce	566		Revenue
410	Corrections	575		Secretary of State
507	Board of Commissions of Public Land	190		State Fair Park Board
475	District Attorneys	680		Supreme Court
225	Education Communications Board	275		Technology for Educational Achievement Board (TEACH)
510	Elections Board			Tourism
530	Electronic Government, Department of	380		Transportation
425	Employment Relations Commission (WERC)	395		Treasury
512	Employment Relations Department	585		UW Hospital and Clinics
515	Employee Trust Funds	495		University of Wisconsin
521	Ethics Board	285		UW - Eau Claire
525	Executive Office			UW - LaCrosse
144	Financial Institutions			UW - Stout
435	Health and Family Services			UW - Oshkosh
235	Higher Educational Aids Board			UW - Platteville
245	Historical Society			UW - River Falls
145	Insurance Commission			UW - Stevens Point
536	Investment Board			UW - Superior
775	Joint Survey Committee on Retirement Systems			UW - Whitewater
665	Judicial Commission			UW - Madison
455	Justice			UW - Milwaukee
765	Legislature			UW - Green Bay
	Assembly			UW - Parkside
	Sergeant at Arms			UW - Centers
	Legislative Council			UW - Extension
	Legislative Fiscal Bureau			UW - System Admin.
	Legislative Reference Bureau			Veteran's Affairs
	Senate	485		Wisconsin Health and Educational Facilities Authority
	Revisor of Statutes	440		Wisconsin Housing and Economic Development Authority
	Legislative Technology Services Bureau			Wisconsin Technical College System Board
770	Legislative Audit Bureau	490		Wiscraft Incorporated
360	Lower Wisconsin State Riverway Board			Workforce Development
540	Lieutenant Governor's Office	292		
465	Military Affairs			
315	Minnesota/Wisconsin Boundary Area	100		
		445		



# AUTOMATIC PREMIUM CONVERSION

## WHICH PREMIUMS ARE AFFECTED?

Premium Conversion automatically deducts the following premiums from your pre-tax salary:

- State group health insurance,
- State group life insurance, and
- EPIC dental and excess medical insurance.

**IMPORTANT:** The premiums that you pay for other coverage (for example: other medical, dental, life, income continuation or long-term care insurance) are **not** affected by this plan.



## THE END RESULT? LESS TAXES PAID AND MORE MONEY IN YOUR POCKET.

- Participation in Premium Conversion is automatic; **you do not have to re-enroll each year.**
- Due to IRS regulations, employer-provided group term life insurance coverage in excess of \$50,000 results in a tax liability. This liability is offset by the portion of life insurance premiums you pay. Any liability you incur will appear on your annual wage and tax statement (W-2 form) that you receive each January.

## WHAT IF I DON'T WANT TO PARTICIPATE IN AUTOMATIC PREMIUM CONVERSION?

- If you wish to continue to pay taxes on your premium amounts, fill out an *Automatic Premium Conversion Waiver* form (ET-2340) and return it to your Payroll/Benefits Office . You can obtain a Waiver form from your Payroll/Benefits Officer, or by going to the ETF Internet site at **<http://etf.wi.gov>**.
- You may file a waiver within 30 days after the date you are first eligible to participate in the ERA program, the date you first enroll in the state group health or life insurance plan, the date you experience a qualifying Change In Status event, or during the annual open enrollment period.
- Once you have filed a waiver it will remain in effect for future plan years, unless you file a revocation of waiver with your Payroll/Benefits Office.

# MEDICAL EXPENSE REIMBURSEMENT ACCOUNT

This account allows you to use tax-free money to pay for uninsured medical expenses incurred by you, your spouse and your dependents. All expenses must be incurred during the plan year or during your period of coverage.

## WHAT ARE THE CONTRIBUTION LIMITS?

Minimum annual contribution: \$100

Maximum annual contribution: \$7,500

## WHO IS CONSIDERED A DEPENDENT FOR MEDICAL EXPENSE REIMBURSEMENT ACCOUNT COVERAGE?

- A relative or an individual for whom the employee provides over half of his/her support for the calendar year and who, for the calendar year, lives with the employee as a member of the employee's household. The dependent must be a U.S. citizen or a resident of the U.S., Mexico or Canada.
- An eligible child of divorced parents is considered a dependent of **both** parents. Therefore, either or both parents can establish a Medical Expense Reimbursement Account.

## WHAT EXPENSES ARE ELIGIBLE FOR REIMBURSEMENT?

- To be eligible for reimbursement, expenses must be for medical care incurred primarily for the prevention or alleviation of a physical or mental defect or illness. The following is a partial list of eligible expenses.
- Annual dollar maximums for mental health services are suspended due to the Federal Mental Health Parity Act. Annual dollar maximums remain in force for treatment of alcohol and drug abuse.

Acupuncture  
Alcoholism treatment  
Ambulance service  
Artificial limbs  
Birth control pills  
Braille books & magazines  
Car controls for the handicapped  
Chiropractic care  
Contact lenses (corrective)  
Contact lens solutions & cleaners  
Crutches  
Dental fees\*  
Dental implants  
Diagnostic tests  
Doctors' fees  
Duplicate prosthetic devices  
Drug addiction treatment  
Drugs (prescription only\*\*)  
Experimental medical treatment  
Eyeglasses (corrective)  
Guide dogs  
Health and dental insurance deductibles/ co-payments\*\*\*  
Hearing aids & exams\*\*\*  
Hearing treatment  
Hospital services  
In-patient therapy for mental or nervous disorders  
Injections  
In vitro fertilization

- Unused funds designated for Medical Expense ERAs cannot be refunded to you. Please verify with your healthcare provider (prior to the commencement of the upcoming plan year) that you are a suitable candidate for any surgical procedure, such as laser eye surgery or other elective procedure, before committing the money to your ERA.

Lab fees  
Laser eye surgery  
Learning disability tuition  
Massage therapy\*  
Medical Mileage (See Page 17)  
Nursing services\*  
Optometrist fees  
Orthodontic treatment\*  
Orthopedic shoes  
Oxygen  
Psychoanalysis  
Periodontal fees  
Prescription drugs to alleviate nicotine withdrawal symptoms  
Reconstructive surgery after mastectomy\*  
Smoking cessation programs/ treatments  
Radial keratotomy  
Special schools for the handicapped  
Surgery\*  
Telephone for the deaf  
Transplants of organs  
Transportation for local and medically necessary out-of-town care  
Vaccinations  
Vitamins (prescription only)  
Wheelchairs  
X-rays

\* To be eligible for reimbursement, some treatments, prescription drugs or services that may be deemed cosmetic in nature or not medically necessary require written proof of medical necessity from your healthcare provider. Proof of medical necessity must be provided annually for extended medical treatment such as orthodontia.

\*\* Not all drugs requiring a prescription are approved by the IRS as eligible for reimbursement.

\*\*\* Be sure to consult your *It's Your Choice* health plan enrollment book and/or EPIC insurance benefit information to determine your new co-payments, deductibles and covered benefits for Plan Year 2003.

# MEDICAL EXPENSE REIMBURSEMENT ACCOUNT

## WHAT EXPENSES ARE INELIGIBLE?

- Insurance premiums
- Vision warranties and service contracts
- Even if prescribed by your health care provider, most over-the-counter medical supplies such as Band-aids, vitamins, non-prescription feminine products, herbal medicines, nicotine patches, etc., **except** contact lens supplies and equipment
- Health or fitness club membership fees. These fees may be eligible if prescribed to treat a diagnosed medical condition such as diabetes. **Written proof of medical necessity is required.**
- Cosmetic surgery or expenses primarily for cosmetic purposes
- Expenses incurred outside the plan year or your period of coverage.

A more complete list appears in IRS Publication 502, available at your Internal Revenue Service office or from the IRS Internet site at [http://www.irs.ustreas.gov/prod/forms\\_pubs/pubs.html](http://www.irs.ustreas.gov/prod/forms_pubs/pubs.html)

**Please note:** IRS regulations prohibit insurance premiums, including Long-Term Care, and any advance payments for future care, such as fees to a retirement facility, from being reimbursed through a Medical Expense Reimbursement Account, even though it is listed in IRS Publication 502.

## WEIGHT-LOSS PROGRAMS AND THE IRS

The IRS officially recognizes obesity as a disease and out of pocket medical expenses for doctor prescribed treatment of obesity is reimburseable under your Medical Expense FSA. This includes treatment in weight-loss programs and/or meetings; it excludes diet foods that are substitutes for normal nutritional requirements.

## ERA VS. CLAIMING EXPENSES ON YOUR 1040

Unless your itemized medical expenses **exceed** 7.5 percent of your adjusted gross income, you **cannot** get a break by claiming them on your IRS Form 1040. Both you and your spouse's incomes must be included for purposes of determining adjusted gross income. But you **can** save taxes by paying for your uninsured, out-of-pocket medical expenses through a tax-free Medical Expense ERA.

For instance, if your family's adjusted gross income is \$45,000, the IRS would only allow you to deduct itemized expenses that **exceed** \$3,375 (7.5 percent of your adjusted gross income). But, if you have \$2,000 in eligible medical expenses, the ERA saves you \$713 in federal income (27 percent) and Social Security taxes (7.65 percent) on these medical expenses. Your savings will be even greater when you include your State income tax.

With a Medical Expense Reimbursement Account, the

money you set aside for eligible medical expenses is deducted from your salary before taxes. So it is **ALWAYS** tax-free, regardless of the amount. By enrolling in a Medical Expense Reimbursement Account, you **guarantee** your savings.

## IS MILEAGE FOR DOCTOR VISITS REIMBURSABLE?

Yes, it is reimbursable, as long as a receipt, statement or bill from your health care provider is sent along with your request to validate your visit.

Expenses incurred for transportation to and from day care is not a reimbursable expense.

## HOW DO YOU SUBMIT MILEAGE FOR REIMBURSEMENT ?

Calculate the mileage on the actual bill/receipt detailing the following: roundtrip mileage multiplied by \$.12 (which is the IRS current amount per mile reimbursable) along with the name of the provider visited.

Example: If your office visit with Dr. Jay on 1/1/03 resulted in a total of 80 miles roundtrip, your note should read:

1/1/03—80 miles x .12= \$9.60 with the dates of travel and \$9.60 as your amount requested for reimbursement. In addition, attach your statement, bill or receipt from your health care provider along with your request to validate your visit.

### **ARE ALL DOCTORS VISITS REIMBURSABLE?**

If the service provided is medically necessary for vision, dental or medical under IRS regulations, then travel to and from the healthcare office to obtain service is reimbursable.

### **ARE PARKING FEES AND TOLLS TO THE DOCTOR'S OFFICE REIMBURSABLE?**

Yes, in addition to mileage reimbursement at \$.12 per mile, you may seek reimbursement for parking fees and tolls to your medical appointment. To substantiate the claim you will need to provide a receipt for the toll and/or parking fee in addition to a bill or receipt from your healthcare provider.

### **IS MILEAGE REIMBURSABLE FOR VISITS TO AND FROM MY LOCAL PHARMACY FOR MY PRESCRIPTION(S)?**

Yes, a visit to your pharmacy will be treated as a visit to your local healthcare provider.

### **ARE EXPENSES INCURRED FOR OUT-OF-TOWN HEALTHCARE SERVICES REIMBURSABLE, I.E., AIRLINE FARE, HOTEL ROOM AND RENTAL CAR?**

You may include the medical expense amounts you pay for transportation to another city if the trip is primarily for, and essential to, receiving medical services. You cannot include in medical expenses a trip or vacation taken merely for a change in environment, improvement of morale, or a general improvement of health, even if you make a trip on the advice of a doctor.

### **ARE THE LODGING EXPENSES I INCUR DURING MY DEPENDENT'S OUT-OF-TOWN HOSPITALIZATION REIMBURSABLE?**

Yes. You may be able to include in medical expenses the cost of lodging not provided in a hospital or similar institution. The amount you include in medical expenses for lodging cannot be more than \$50 per night for each person. Lodging is included for a person for whom transportation expenses are a medical expense because that

person is traveling with the dependent receiving medical care. For example, if a parent is traveling with a sick child, up to \$100 per night can be included as a medical expense for lodging. Meals are not included.

# DEPENDENT CARE REIMBURSEMENT ACCOUNT

Dependent child, adult and elder care expenses make up a significant portion of many family budgets. The Dependent Care Reimbursement Account lets you use tax-free dollars to cover such expenses -- enabling you and your spouse to work, actively look for work or attend school full-time.

## WHAT ARE THE CONTRIBUTION LIMITS?

- If you file your income taxes as “head of household” or “married, filing jointly” you can put up to \$5,000 a year into your account. **NOTE:** If you and your spouse establish separate Dependent Care Reimbursement Accounts, the **combined** total may not exceed \$5,000.
- If either you or your spouse earn less than \$5,000 a year, you can deposit only as much as the lower of the two incomes.
- If you are married, but file a separate federal income tax return, you may deposit a maximum of \$2,500 to your Dependent Care Reimbursement Account.
- If your spouse is a full-time student or incapable of self-care, your maximum is \$3,000 a year for one dependent and \$5,000 a year for two or more dependents.



- If you have only one eligible child, your maximum for IRS tax credit is \$3,000, but you may set aside up to \$5,000 through ERA if your tax filing status allows.
- The minimum annual contribution is \$100.

## WHAT ARE THE ELIGIBILITY REQUIREMENTS?

A qualified dependent can be:

- A child age 12 or younger who resides in your household and for whom you can claim an exemption, or
- An adult or child who is mentally or physically incapable of self care and who regularly spends at least eight hours a day in your household.
- Eligible dependent care expenses must be for the physical care of the dependent, either inside or outside the home.

- Dependent care cannot be provided by you, your spouse or other dependent.
- If you are married, your spouse must work, actively look for work, be a full-time student or be mentally or physically incapable of self-care.
- For more information, refer to IRS publication 503 available at your Internal Revenue Service office or from the IRS Internet site at [http://www.irs.ustreas.gov/forms\\_pubs/pubs.html](http://www.irs.ustreas.gov/forms_pubs/pubs.html)

## WHAT EXPENSES ARE ELIGIBLE FOR REIMBURSEMENT?

- Day and dependent care facility fees for qualified dependents.
- Before-school and after-school care for qualified dependents.
- Local day camp fees for qualified dependents. (Sports camps and other instructional camps are excluded **unless** the primary purpose of the camp is for the physical care of the child.)
- Fees for at-home care of qualified dependents that allow you to work and your spouse to either work, actively look for work, or go to school full-time.
- Charges for preschool and nursery school may qualify as dependent care expenses, if the attendance allows you to work and your spouse to either work, actively look for work or go to school full-time.



# DEPENDENT CARE REIMBURSEMENT ACCOUNT

## WHAT EXPENSES ARE INELIGIBLE?

- Educational expenses incurred for a child in kindergarten and up
- Child support payments, or care for any periods of time that your child or dependent is not living with you
- Health care costs, educational tuition or sports camp fees
- Overnight care for your dependents (**unless** it allows you and/or your spouse to complete shiftwork during that time)
- Nursing home fees
- Books or supplies
- Registration fees or activity fees
- Deposits, **unless** part of fee for care of dependent
- Meal and transportation costs, if they are **separate** from your dependent care expenses
- Expenses incurred outside the plan year or your period of coverage

## REIMBURSEMENT ACCOUNT VS. CHILD-CARE TAX CREDIT

Generally a Dependent Care Reimbursement Account saves you more in taxes than the Child Care Tax Credit, but it depends on your income.

- If you expect your adjusted gross family income to exceed \$24,000, and you are not in the 15% tax bracket, the Dependent Care Reimbursement Account will probably benefit you more, but you should consult your personal tax advisor regarding your specific situation.
- You can use the Dependent Care FSA and file for a tax credit as long as the total for both (the amount you have placed in your FSA plus the amount you have paid for dependent care) does not exceed the tax credit limits; \$3,000 for one dependent and \$6,000 for two or more dependents.
- You cannot use the tax credit if you are married and filing separately.
- You cannot use the same expenses for **both** the tax credit and your Dependent Care Reimbursement Account.

- Call FBMC Customer Service at **1-800-342-8017** for a free tax analysis of which method will save you more.
- Carefully follow IRS reporting requirements for Dependent Care accounts. IRS Form 2441 (1040) and Schedule 2 (1040A) require that you provide the name and tax identification number (or Social Security number) of the dependent care provider when filing your taxes.

# DEPENDENT CARE REIMBURSEMENT ACCOUNT

## HERE'S HOW ONE FAMILY SAVED

Thousands of dollars in day care expenses for their children made Mike and Kathy Mallory decide to set up a tax-free Dependent Care Reimbursement Account.

Last year, they paid \$6,000 for day care for their three-year-old

twin daughters. The Mallorys realized they would benefit by having the tax-free reductions taken from their salary. The maximum contribution to a Dependent Care Reimbursement Account is \$5,000. They decided to put the maximum \$5,000 in the reimbursement account and pay the rest of the cost out-of-pocket.

Reimbursement from their tax-free reimbursement account for their day care expenses during the plan year will save them about \$1,150 more in taxes than if the Mallorys used the dependent care income tax credit.

### PERSONAL INFORMATION

**Names:** Mike and Kathy Mallory

**Ages:** Mike, 32; Kathy, 31

**Family Status:** Married, two children

**Health:** Excellent

**Other information:** The Mallorys paid a large amount in taxes last year; they are anxious to reduce their taxes and start renovations to their home.

**State Employee:** Both for eight years

**Income:** Mike \$33,000

Kathy \$35,000

	WITH TAX DEDUCTION	WITH ERA ACCOUNT
1. Taxable Income Before Reimbursement*	\$52,800.00	\$52,800.00
2. Less: Dependent Care Paid Before Tax	0.00	-5,000.00
3. Taxable Income After Reimbursement	\$52,800.00	\$47,800.00
4. Less: Federal Taxes (28% of line 3)	-8,908.00	-7,508.00
5. Less: State taxes** (6.55% of line 3)	-3,458.54	-3,130.90
6. Less FICA taxes (7.65% of line 3)	-4,039.20	-3,656.70
7. Less: Dependent Care Paid After Taxes	-6,000.00	-1,000.00
8. Plus: Dependent Care Income Tax Credit	+960.00	0.00
9. Income After Dependent Care Expenses	\$31,354.26	\$32,504.40
10. Additional Taxes Saved With Account (Individual tax rates may vary.)		<b>\$1,150.14</b>

### Should the Mallorys use the Reimbursement Account Method? YES

\* Standard deductions and exemptions have been deducted from the adjusted gross income to arrive at this taxable income amount.

\*\* Individual state tax rates will vary. Wisconsin State tax information may be found at the Dept. of Revenue Internet site, <http://www.dor.state.wi.us>

NOTE: No earned income credits included in calculations.

# IMPACT OF ERA ON OTHER BENEFITS



Number of years using tax-free premiums	Estimated reduction in Total Lifetime Social Security benefits		Total tax savings*
	MALE	FEMALE	
10	\$1,536	\$1,865	\$2,718
20	3,071	3,729	5,436
30	4,608	5,596	8,154
35 or more	5,376	6,528	9,513

\* Tax savings based on a 15% federal income tax and 7.65% Social Security tax, with \$100 in tax-free contributions per month. Your savings will be even greater when you include your state income tax. Higher tax brackets will also increase tax savings; Social Security reduction remains the same. Assumes retirement at age 65. The difference in male and female estimates is based on life expectancy at retirement.

## SOCIAL SECURITY

Participation in the ERA program, including the premium conversion component, will reduce salary used for calculating your eventual Social Security benefit. However, the benefit reduction is small compared with the tax savings earned. The following table compares the possible Social Security reduction with tax savings realized through the ERA program.

## WISCONSIN RETIREMENT SYSTEM (WRS) AND OTHER STATE BENEFITS

State law (Wis. Stats. §40.87) specifically says that participation in the ERA program will **not** reduce your wages for calculating state retirement benefits.

ERA reductions will **not** reduce your gross income for the purpose of calculating any other state benefits such as sick leave conversion credits, income continuation insurance, life insurance, unemployment or Worker's Compensation.

## TAX-SHELTERED ANNUITIES AND DEFERRED COMPENSATION

The amount of ERA reductions and tax-free premiums **reduce** the includible compensation\* used to compute the maximum amount that can be deferred under a deferred compensation plan. Contact your deferred compensation representative if you have questions about the specific impact on your investments.

Participation in the ERA program **does not** effect your includible compensation for purposes of a tax sheltered annuity.

*\*Includible compensation is the gross income shown on your W-2 form.*

## CHANGES DURING THE YEAR



You may change your ERA election mid-plan year only under *limited* circumstances as provided by established IRS guidelines and the Wisconsin ERA Program. A mid-plan year election change can only be made on a future basis. Upon approval, the election change request will be effective on the date of the first paycheck that reflects the changed deduction amount. If your ERA election change request is denied, you will have 30 days from the date of the denial to file an appeal with FBMC by following the procedures in the “Appeals Process” section appearing on Page 5.

### TO REQUEST AN ELECTION CHANGE:

- Obtain a *Change in Status Request* Form from your Payroll/Benefits Office, from ETF’s Internet site, or from FBMC’s Madison office (608-829-0435 or baye@fbmc-benefits.com)
- If you have any questions about the eligibility of a requested change or completing the form, contact FBMC’s Madison office.
- Complete, sign and date the form and submit it to FBMC’s Madison office for authorization and processing. The form must be signed and

dated within 30 days **after** the date of the event. Forms submitted before the date of the event cannot be accepted.

- Please retain a copy of documentation supporting your mid-plan year election change request. (They do not need to be submitted with your request.) Examples of documentation are: marriage licenses, divorce decrees, birth certificates, etc.
- FBMC’s Madison office will review, on a uniform and consistent basis, the facts and circumstances of each properly completed and timely *Change In Status Request* form.
- If the requested change is authorized, a copy of the form will be forwarded to your Payroll/Benefits Office and to FBMC’s Florida headquarters.
- The effective date of any change(s) will be the date of the first paycheck deduction reflecting the change(s).

**IMPORTANT:** Be sure to send your form to FBMC’s Madison office with ample time for it to be processed and forwarded to your Payroll/Benefits Office (before the deadline for changes to your paycheck deductions). Otherwise, your desired effective date for the change(s) will be delayed. Generally

speaking, that means your Payroll/Benefits Office should receive the authorized form at least 10 business days before the paycheck date on which the changes are to be made.

### PERMITTED ELECTION CHANGES DURING A PLAN YEAR

You may change your ERA election mid-plan year only when a qualified Change in Status event has occurred and the desired change in deduction election corresponds to, and is consistent with, the event. Experiencing a Change in Status event will not automatically permit a mid-plan year election change unless applicable IRS consistency rules are also met. Change requests must be made within 30 days **after** the event. The circumstances constituting valid election changes include:

### CHANGE IN STATUS (CIS) EVENTS Change In Your Legal Marital Status

Events that change your legal marital status, including: marriage; death of spouse; divorce; legal separation; and annulment.

#### Medical Expense Account

- If you marry, you may increase your election when a family member is added; or cease or decrease your election if: (i) you, your spouse or

## CHANGES DURING THE YEAR

dependents become eligible under your new spouse's employer's group health (includes a health FSA) plans; and (ii) your spouse is a participant in their employer's plan, and (iii) coverage for that individual becomes effective or is increased under the other employer's plan.

- If you cease to be married, you may decrease your election for the former spouse who loses eligibility. You may enroll in or increase your own election only where you have lost coverage under your former spouse's employer's group health (includes a health FSA) plan.

### **Dependent Care Account:**

- If you marry, you may enroll in or increase your election to accommodate any newly-acquired dependent(s); or decrease or cease coverage if your new spouse is not employed or makes a dependent care FSA coverage election through his or her employer.
- If you cease to be married, you may enroll in or increase your election to accommodate your newly-eligible dependent (e.g., due to divorce from non-working spouse); or decrease or cease coverage if eligibility is lost due to an event (e.g., because your dependent now resides with ex-spouse).

### **Change In Number of Your Tax Dependents**

Events that change an employee's number of dependents, including the following: birth; death; adoption; and placement for adoption.

#### **Medical Expense and Dependent Care Accounts:**

- If you gain a dependent, you may enroll in or increase your election for the newly-acquired dependent and any dependents who were not previously covered. Note: No retroactive enrollment will be permitted on account of birth, adoption or placement for adoption because the ERA program is not subject to HIPAA's special enrollment provisions.
- If you lose a dependent, you may decrease or cease your election for the dependent who loses eligibility.

### **Changes In Employment Status That Affect Eligibility**

Any of the following events that change the employment status of the employee, the employee's spouse, or the employee's dependent: a termination or commencement of employment; a strike or lockout; a commencement of or return from an unpaid leave of absence; and a change in worksite.

#### **Medical Expense Account:**

- If your spouse or dependent commences employment that triggers a gain in eligibility under their employer's plan,

you may not drop your Medical Expense Account coverage but you may decrease your election if your spouse or dependent gains eligibility under their employer's group health (including a health FSA) plan.

- If your spouse terminates employment, or goes on an unpaid leave of absence, you may enroll in or increase your election if your spouse or dependent loses eligibility for group health plan (includes health FSA) coverage.
- If you terminate employment or go on an unpaid leave of absence, coverage will cease unless arrangements are made to continue contributions.
- If you go on a paid leave, your contributions will continue and your coverage will be unaffected.

### **Dependent Care Account:**

- If your spouse commences employment that triggers a gain in eligibility under their employer's plan, you may *make or increase your election* to reflect the new eligibility (if your spouse previously did not work). You may also revoke your election if your dependent is added to your spouse's coverage.
- If you terminate employment or go on an unpaid leave of absence, your salary reductions cease but you may continue to request



## CHANGES DURING THE YEAR

reimbursement for eligible expenses from your account until you exhaust your account balance or the plan year ends even if you have not contributed the full annual amount for which you enrolled.

- If your spouse terminates employment or goes on unpaid leave, triggering dependent coverage to cease under your spouse's plan, you may enroll in, increase, or discontinue your election to your dependent care plan.
- If you go on paid leave, your contributions will continue unless you file a Change in Status form to decrease your annual amount. (Because you will not be actively at work, dependent care expenses incurred during your leave will not ordinarily be eligible expenses for purposes of a dependent care account.)

When you return from leave, you may elect to resume your contributions.

### Dependent satisfies or ceases to satisfy eligibility requirements.

Events that cause your dependent to satisfy or cease to satisfy eligibility requirements for coverage on account of attainment of age, student status, or any similar circumstance.

#### Medical Expense Account:

- If your dependent gains eligibility, (e.g. they regain

student status and become a dependent) you may enroll in or increase your election to take into account expenses of affected dependent.

- If your dependent ceases to be eligible (e.g. attains age 25 or ceases to be a full-time student, marries, etc.) you may not drop your coverage but you may decrease your election to take into account the ineligibility of the expenses of the affected dependent if eligibility is lost.

#### Dependent Care Account:

- If your dependent gains eligibility, you may enroll in or increase your election to take into account expenses of affected dependent.
- If your dependent ceases to satisfy eligibility requirements (e.g., attains age 13) you may decrease or drop your election to take into account the expenses only of the affected dependent.

### Change in Place of Residence (Your Own, Your Spouse or Dependent)

#### Medical Expense Account:

- No mid-plan year election change is permitted even if a move triggers or causes loss of eligibility (e.g. you or your dependent moves outside HMO service area).

#### Dependent Care Account

- You may make an election change if a change in place of residence results in a change in the cost or coverage of your dependent care provider.

## CHANGES IN COST OR COVERAGE

(Applies *only* to Dependent Care Accounts )

- Open Enrollment Under Other Employer's Plan. You may make an election change when your spouse or dependent makes an open enrollment change in coverage under their employer's plan if: their employer's plan year is different from your employer's cafeteria plan, their employer's plan permits a mid-plan year election change under this event, and they participate in the same benefit.
- Significant Coverage Curtailment. If your dependent care provider significantly reduces its available hours, or goes out of business, you may revoke your election and make a new election for coverage with another dependent care provider. You may also make a corresponding election change when you switch dependent care providers. For example, if you send your child to a daycare center, you can switch to another daycare center, or even to a relative who is able to provide care for your eligible dependent. If switching dependent care providers results in a cost increase or decrease (even if the switch is to a relative), you can make a corresponding change to your salary reduction amount.  
**However, while a relative who is related to you by blood or marriage provides care for your eligible dependent, you**

## CHANGES DURING THE YEAR

cannot change your salary reduction amount solely on a desire to increase or decrease the amount being paid to that relative.

- **Cost Increases or Decreases.** If the cost charged by your dependent care provider increases or decreases, you may, on a reasonable and consistent basis, change your elected contribution under the plan. No change can be made when the cost increase or decrease is imposed by a dependent care provider who is your relative by blood or marriage.

### **CERTAIN JUDGMENT, DECREES OR COURT ORDER.**

**(Applies *only* to Medical Expense Accounts.)**

- If a judgment, decree, or court order from a divorce, legal separation, annulment, or change in legal custody requires that accident or health coverage for your dependent child (including a dependent foster child) be provided by:
  - you under your health or accident coverage, you may change your election to provide the child with corresponding coverage.
  - your spouse, former spouse, or other individual, you may change your election to cancel corresponding coverage for the child if the other individual actually provides the coverage.

### **MEDICARE AND MEDICAID**

**(Applies *only* to Medical Expense Accounts)**

If you, your spouse, or your dependent —

- are enrolled in your employer's health or accident benefit plan, and become entitled to (i.e., enroll in) Medicare or Medicaid (other than coverage solely for pediatric vaccines), then for that individual you may decrease your election; or increase it if prior employer coverage was more comprehensive.
- lose eligibility for Medicare or Medicaid, then for that individual you may increase your election; or decrease it where the employer plan is more comprehensive.

# REIMBURSEMENT INFORMATION



## HOW CAN I GET MY REIMBURSEMENT?

- After you incur eligible expenses, simply submit your statements, receipts, bills or invoices, and any appropriate supporting documentation, along with a completed *Reimbursement Request* form to FBMC. You do not have to pay for the services before submitting a request for reimbursement, but you must actually receive the service before you can be reimbursed.
- You may submit requests as often as you wish, as long as the date of service for which you are requesting reimbursement has passed.
- *Reimbursement Request* Forms are available on the ETF Internet site at <http://etf.wi.gov>
- FBMC will retain your reimbursement request forms and supporting documentation.
- FBMC has up to five business days from the day it receives a properly completed *Reimbursement Request* Form and all the required documentation to process your request.

- There is a 90-day grace period after the plan year ends (until March 31, 2004) during which you may continue to submit claims for expenses which were **incurred** during your period of coverage.
- You can receive your reimbursement faster by enrolling in the Rapid Refund option described on *Page 27*.
- To check on the status of your ERA at anytime, call the Interactive Benefits Information Line at 1-800- 865-FBMC (3263) or visit [www.fbmc-benefits.com](http://www.fbmc-benefits.com) (See *Page 28* for details).

## REQUESTING A MEDICAL EXPENSE REIMBURSEMENT

- For eligible, uninsured expenses, submit statements, bills, invoices, or receipts for all out-of-pocket medical expenses, along with a claim form attesting that the expense has been incurred (service received) and is not reimbursable by other insurance.
- The documents should indicate the name of the person receiving the service, name of service provider, type of service rendered, the date, and cost of the service. Be sure your bill or receipt includes a specific description of services rendered.
- **For those services that could be deemed not medically necessary or**

**cosmetic in nature, a written statement from your health care provider that the service was medically necessary is also required.**

Alternatively, the health care provider may sign your reimbursement claim form in the space provided.

- FBMC will reimburse you for the amount of your approved claim expense. Reimbursement requests for medical expenses will be paid to the limit of your annual election amount, less any prior reimbursements made during your period of coverage.

## REQUESTING A DEPENDENT CARE REIMBURSEMENT

- After dependent care expenses have been incurred, you can submit a reimbursement request form along with a signed receipt or bill from the dependent care provider, showing the beginning and ending dates of service, amount billed and the name, address and tax identification number of the dependent care facility, or the name, address, Social Security number and signature of the individual providing the care.
- Before you submit your reimbursement request, **you must have received the actual service appearing on the request**, even if you have not yet paid for it.

## REIMBURSEMENT INFORMATION

- FBMC will issue a payment to you for the amount of your approved reimbursement request, up to the balance in your Dependent Care Reimbursement Account at the time the reimbursement is issued. If your request is for more than that, the remainder will be automatically paid as you make additional contributions.
- You may enroll in Rapid Refund at any time during the plan year.
- **If you currently participate in Rapid Refund, you do not need to file another form for the new plan year.**

### USE RAPID REFUND TO GET YOUR REIMBURSEMENT FASTER

- Enrolling in Rapid Refund will allow your reimbursement claim check to be deposited directly into your checking or savings account.
- To take advantage of this option, call FBMC at 1-800-342-8017 and request a *Rapid Refund* enrollment form. You may also obtain a *Rapid Refund* form at the ETF Internet site <http://etf.wi.gov>.

# ACCESSING YOUR PERSONAL BENEFIT INFORMATION



## ACCESSING INFORMATION THROUGH THE PHONE

The Interactive Benefits Information Line is FBMC's 24-hour automated phone system. When you dial 1-800-865-FBMC (3262) you can access your benefits anytime to check on a claim, verify the status of an Employee Reimbursement Account, request a form and more!

All you need is your Social Security number (SSN) to access the system for the first time. The last four digits of your SSN will be

your first PIN (Personal Identification Number). The system will then ask you to select your own confidential 4-digit PIN for future use. Your new PIN can **not** be the last four digits of your SSN. (NOTE: As of October 1, 2002 all PIN numbers have been reset to the last four digits of your Social Security number.)

If you forget your PIN, you may press zero and a Customer Service Representative will be happy to assist you.

Once you've selected a PIN, the system will give you the following list of options and guide you through a simple, step-by-step process to obtain the information you need. (If you have already used the Interactive Benefits telephone information line or enrolled using the Telephone enrollment systems, the PIN you've chosen there will be the PIN you use here.)

This system applies only to the ERA Program benefits administered by FBMC. If you need further assistance, call FBMC Customer Service at 1-800-342-8017 or via e-mail at [webcustomerservice@fbmc-benefits.com](mailto:webcustomerservice@fbmc-benefits.com).

### MAIN MENU OPTIONS

#### Press 1 for Employee

#### Reimbursement Accounts

- Medical Expense ERA and Dependent Care ERA
- Current plan year/Previous plan year
- Status of last Reimbursement Request
- Last deposit or payment
- Request a Reimbursement Form
- Inquire about another ERA

#### Press 2 for Form Requests

- Claim Forms
- *Change In Status* Forms

#### Press 3 to change PIN

#### Press 4 to verify your address

### OTHER OPTIONS

#### Press 0 to transfer to a Customer Service Representative

#### Press 9 to return to Main Menu

#### Press\* to repeat the menu

#### Press # to exit Information Line

## ACCESS INFORMATION THROUGH THE INTERNET!



Access FBMC Customer Service through the FBMC Internet site. Log on to [www.fbmc-benefits.com](http://www.fbmc-benefits.com) and click on the "Customers" link. You may also contact Customer Service via e-mail at [webcustomerservice@fbmc-benefits.com](mailto:webcustomerservice@fbmc-benefits.com).

Access your personal Account Information through the FBMC Internet site, too! To access your personal account, you will enter your Social Security number as your Employee Number and the last four digits of your SSN as your

temporary PIN. (If you have already used the Interactive Benefits telephone information line or enrolled using either the Internet or Telephone enrollment systems, the PIN you've chosen there will be the PIN you use here.)



# WORKSHEETS

AT YOUR REQUEST, YOUR ERA REIMBURSEMENT CHECKS MAY BE DEPOSITED INTO YOUR CHECKING OR SAVINGS ACCOUNT BY ENROLLING IN "RAPID REFUND." **RAPID REFUND ENROLLMENT FORMS ARE AVAILABLE ON THE ETF INTERNET SITE, OR CALL FBMC CUSTOMER SERVICE.**

## TAX-FREE MEDICAL EXPENSE REIMBURSEMENT ACCOUNT

Be sure to consult your *It's Your Choice* health plan enrollment book and/or EPIC insurance benefit information to determine your new co-payments, deductibles and covered benefits for Plan Year 2003.

### PROJECTED PLAN YEAR EXPENSES (NOT covered by insurance)

1. Eligible Medical Expenses to be incurred from January 1, 2003 through December 31, 2003.
 

Insurance deductibles, co-payments	\$ _____
Immunizations, injections and vaccinations	\$ _____
Routine examinations and physicals	\$ _____
Dental and orthodontic expenses (non-cosmetic)	\$ _____
Prescription drugs or co-pay amount	\$ _____
Eyeglasses and contacts (corrective, <b>including</b> cleaning/wetting solutions, etc.)	\$ _____
Transportation to and from medical provider	\$ _____
Medically necessary nursing home care	\$ _____
Medically necessary surgery*	\$ _____
Other expenses	\$ _____
2. Total annual dollar amount. \$ \_\_\_\_\_  
*Enter this amount on your Internet/Telephone Enrollment Guide.* **\$7,500 MAXIMUM**
3. Divide by the number of regular paychecks you will receive during the plan year. ÷ \_\_\_\_\_
4. Reduction per regular paycheck \$ \_\_\_\_\_

## TAX-FREE DEPENDENT CARE EXPENSE REIMBURSEMENT ACCOUNT

1. Eligible Dependent Care Expenses to be incurred from January 1, 2003 through December 31, 2003.
 

Infant/toddler	\$ _____
Preschool	\$ _____
Before-school or after-school care	\$ _____
Reporting days (child in school only half a day)	\$ _____
School holidays/vacations/in-service	\$ _____
Adult, elder and other dependent care	\$ _____
2. Total annual dollar amount. \$ \_\_\_\_\_  
*Enter this amount on your Internet/Telephone Enrollment Guide.*  
*Remember, your total contribution cannot exceed IRS limits for the plan year.*
3. Divide by the number of regular paychecks you will receive during the plan year. \_\_\_\_\_
4. Reduction per regular paycheck \$ \_\_\_\_\_

*NOTE: Take into consideration the possibility of turnaround delays in receiving reimbursement checks when determining how much you can afford to contribute to either Reimbursement Account.*

\* Unused funds designated for reimbursement accounts cannot be refunded to you. Please verify with your healthcare provider (prior to the commencement of the upcoming plan year) that you are a suitable candidate for any surgical procedure before committing the money to your ERA.

# ENROLLMENT INFORMATION SESSIONS

CITY	LOCATION	DATE	TIME	CITY	LOCATION	DATE	TIME
<b>CHIPPEWA FALLS</b>	Northern WI Center National Guard Armory 2811 E. Park Ave.	October 2	10-3:30		Agriculture, Trade & Consumer Protection 2811 Agriculture Drive	October 9	11-1
<b>EAU CLAIRE</b>	Transportation 718 W. Clairmont State Office Building Room 105	October 18	9-12:30		DNR & DPI GEF 111 125 S. Webster Room 041	October 15	10-2:30
	UW Campus Davies Center-105 Garfield Ojibwa Room	October 15	11-2		Com. of Insurance Lake Terrace Building 121 E. Wilson Room 23	October 17	11-1
<b>FOND DU LAC</b>	Transportation 851 Rolling Meadows Conference Room	October 23	11-2		Employee Trust Funds 801 W. Badger Rd. Rm. 2B	October 16 and October 17	9:30-11:00 1:30-3:00
<b>GREEN BAY</b>	Transportation 944 Vanderperren Way All Conference Rooms	October 17	8-12		Regulation & Lic 1400 E. Washington Washington Square Rm. 180	September 24	11-1
<b>IRMA</b>	Lincoln Hills School	September 26	10-3:30		Revenue 2135 Rimrock Rd. Cafeteria Area	October 26	10-2
<b>KENOSHA</b>	UW Parkside Main Place 900 Wood Road Library Learning Center	October 8	10-2		State Treasurer 1 South Pinckney Street 5th Floor #550	October 24	11-1
<b>KING</b>	WI Veterans Home N2665 County Trunk QQ Marden Memorial Ctr. Room-213 (Multi-Purpose Rm.)	October 14	10-2		WHEDA Commerce & Tourism WHEDA Bldg. Tourism Conference Room(2nd Floor) 201 W. Washington	October 17	11-1
<b>LACROSSE</b>	UW Campus 1741 State Street Cartwright Ctr.	October 7	10-2				
	Transportation State Office Bldg 3550 Mormon Coulee Rd.	October 17	11-1:30	<b>MENOMONIE</b>	UW Stout Memorial Student Ctr. Ballroom	October 14	10-2
<b>MADISON</b>	Administration 101 E. Wilson Lobby	October 23	11-1	<b>MILWAUKEE</b>	Dept. Of Health & Family Services Site 3 6111 N. Teutonia Large Conference Rm.	October 10	9-5
	UW Hospital 600 Highland Ave. G5/1 Module	October 10	9-3:30		DNR 2300 N. Martin Luther King, Jr. Drive Rooms 140-141	October 8	10-1
	UW Campus Memorial Union Great Hall	October 9	10-3:30		UW Campus 2200 E. Kenwood Blvd. Student Union, 2nd Floor Wisconsin Room	October 9	10-3:30
	Transportation 4802 Sheboygan Ave. Room 421	October 10	9-2:30		State Office Building 819 N. 6th Street Room 40	October 9	10-1
	Justice 123 W. Washington Ave. 17 West Main	October 8 November 6	10:30-1:30 10:30-1:30				
	Health & Family Services 1 W. Wilson, 7th Floor Room 751	October 15	<u>10-1</u>				

# ENROLLMENT INFORMATION SESSIONS

CITY	LOCATION	DATE	TIME
<b>OSH KOSH</b>	UW Campus 748 Algoma Blvd. Reeve Union Rm 202	October 15	1:00-3:30
<b>PLATTEVILLE</b>	UW Campus Hickory & N. Main Student Center, Touche Rm.	October 17	12-4
<b>PLYMOUTH</b>	Kettle Maraine Correctional KMCI Training Center W.9071 Forest Dr.	October 10	6am-3pm
<b>RHINELANDER</b>	Transportation & DNR 107 Sutliff Ave. DNR Office	October 10	9-2:30
<b>STURTEVANT</b>	Racine Correctional 2019 Wisconsin Street	October 7	11-3
<b>SUPERIOR</b>	Transportation 1701 N. 4th St. Lake Superior Conference Rm.	October 10	8-11:30
	UW-Superior UW - Superior Campus Rothwell Student Center Room 111	October 10	12:30-4
<b>UNION GROVE</b>	Southern Oaks Girls School 21425-B Spring St.	October 10	8-4
<b>WAUKESHA</b>	UW Center Southview Hall Room C101 Commons Conference Rm.	October 16	11-3
	Transportation 2000 Pewaukee Rd. Room 140	October 8	8-12
<b>WALES</b>	Ethan Allen School W323 S105D Boys School Rd.	October 10	8-4
<b>WHITEWATER</b>	UW Campus 800 W. Main Street Hamilton Center	October 15	10-2
<b>WISCONSIN RAPIDS</b>	Transportation 1681 Second Avenue South Rm.124 A & B	October 7	8-12

This document provides a description of available benefits for easy reference purposes.

Official plan documents are available for inspection at the:

**Department of Employee Trust Funds**

**P.O. Box 7931, Madison, WI 53707-7931**

**F B M C**

**Fringe Benefits Management Company**

FBMC Madison Office: 1-877-533-4187 (October 7-November 30, 2002)

FBMC Customer Service (Year Round): 1-800-342-8017

Monday-Friday 6 a.m. - 9 p.m. Central

FBMC Customer Service E-mail Address:

[webcustomerservice@fbmc-benefits.com](mailto:webcustomerservice@fbmc-benefits.com)

**FLORIDA RELAY SERVICE**

Telecommunications Device for the Deaf (TDD)

1-800-955-8771



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